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HOUSE BILL 779

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Mimi Stewart

AN ACT

RELATING TO HOME OWNERSHIP; CREATING A PROGRAM IN THE MORTGAGE
FINANCE AUTHORITY TO PROVIDE HOME LOAN ASSISTANCE FOR CERTAIN
ENTRY-LEVEL TEACHERS; PROVIDING POWERS AND DUTIES; PROVIDING
FOR REPAYMENT OF LOANS THROUGH SERVICE; PROVIDING FOR
ENFORCEMENT OF LOANS BY LIENS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Mortgage Finance
Authority Act is enacted to read:

"NEW MATERIAL TEACHER HOME LOAN ASSISTANCE PROGRAM -
ELIGIBILITY- - POWERS AND DUTIES- - REPAYMENT- - LIENS. - -

A. The authority shall establish a "teacher home
loan assistance program" to provide low-interest loans to
entry-level teachers for assistance in paying down payments and
closing costs required for home ownership.

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1 B. The authority shall adopt rules to implement the
2 teacher home loan assistance program, including:

3 (1) income guidelines that consider local home
4 prices related to participant income;

5 (2) loan guidelines that provide a sliding
6 scale for loan amounts that are related to local home prices
7 and the price of the home for which the applicant is seeking
8 down payment assistance; and

9 (3) procedures for encumbering the property
10 for which a home loan assistance loan is granted with a lien
11 securing the repayment of the loan.

12 C. To be eligible for the program, an applicant
13 shall be a certified school instructor who has taught for less
14 than three years and who is employed in a school district as a
15 classroom teacher. The applicant shall apply for the program
16 through a local lender.

17 D. The state and the authority shall each provide
18 forty percent of the cost of the teacher home loan assistance
19 loan and the school district in which the teacher is employed
20 shall provide twenty percent of the cost of the loan.

21 E. Teacher home loan assistance loans may be
22 forgiven at the rate of one-fifth of the outstanding balance
23 each year for each year of teaching service in the school
24 district as provided by authority rule or due on sale,
25 refinance or transfer to an ineligible recipient. "

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